

AMENDED IN ASSEMBLY APRIL 9, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1180**

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**Introduced by Assembly Member Cristina Garcia**

February 27, 2015

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An act to amend Section 755 of the Public Utilities Code, relating to utility service.

LEGISLATIVE COUNSEL'S DIGEST

AB 1180, as amended, Cristina Garcia. Rates and charges for electric, gas, and water service: credit or debit card payment.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical, gas, and water corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law authorizes an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and, upon approval, authorizes an electrical, gas, or water corporation to recover reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose to pay by those payment options. *Existing law includes statements of legislative intent relative to electrical, gas, and water corporations offering customers the option to pay by credit card or debit card.*

This bill would delete the requirement that an electrical, gas, or water corporation obtain the approval of the commission in order to offer credit card and debit card bill payment options. *express authorization for an electrical, gas, or water corporation to offer credit card and debit card bill payment options, if approved by the commission, and,*

*upon approval, recover reasonable transaction costs incurred by the electrical, gas, or water corporation from those customers that choose to pay by those payment options. The bill would revise the statements of legislative intent to state the intent of the Legislature that customers of electrical, gas, or water corporations be allowed to pay their utility bills with forms of payment that are generally accepted in the retail marketplace and that the commission maintains its existing regulatory authority over the reasonableness of expenses incurred by an electrical, gas, or water corporation for providing customers the option of paying their bills by credit card and debit card through existing regulatory mechanisms.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 755 of the Public Utilities Code is  
2     amended to read:  
3     755. ~~(a)~~—It is the intent of the Legislature that:  
4     (a) *Customers of electrical, gas, or water corporations be*  
5     *allowed to pay their utility bills with forms of payment that are*  
6     *generally accepted in the retail marketplace.*  
7     ~~(1)~~  
8     (b) An electrical, gas, or water corporation that offers customers  
9     credit card ~~or~~ and debit card payment options, ~~may~~ recover the  
10    reasonable expenses incurred by the electrical, gas, or water  
11    corporation for providing the customers the option of paying their  
12    bills by credit card ~~or~~ and debit card.  
13    ~~(2) Only the customers that choose to use these payment options~~  
14    ~~incur the additional charge and that no portion of the expense is~~  
15    ~~shifted to customers that do not choose to pay a bill by credit card~~  
16    ~~or debit card, unless and until the commission determines that the~~  
17    ~~savings to ratepayers exceeds the net cost of accepting those cards.~~  
18    ~~(3)~~  
19    (c) The acceptance of credit cards ~~or~~ and debit cards neither  
20    increases nor decreases the ~~profitability~~ *rate of return* of the  
21    electrical, gas, or water corporation.  
22    ~~(b) An electrical, gas, or water corporation may offer credit card~~  
23    ~~and debit card bill payment options. The electrical, gas, or water~~  
24    ~~corporation may recover reasonable transaction costs incurred by~~

1 the electrical, gas, or water corporation only from those customers  
2 that choose to pay by those payment options.

3 ~~(e) The commission shall determine through existing regulatory~~  
4 ~~mechanisms the reasonableness of transaction costs charged to~~  
5 ~~customers that choose to pay an electrical, gas, or water corporation~~  
6 ~~by a credit card or debit card bill payment option pursuant to this~~  
7 ~~section. The commission shall determine how any associated costs~~  
8 ~~or potential savings as a result of those customers paying by the~~  
9 ~~credit card or debit card payment option shall be passed on to~~  
10 ~~electrical, gas, or water corporation customers. In determining how~~  
11 ~~these savings or costs are passed on to customers, the commission~~  
12 ~~shall do the following:~~

13 ~~(1) The transaction costs that are passed on to customers~~  
14 ~~pursuant to subdivision (b) shall be offset by any savings in~~  
15 ~~transaction costs the electrical, gas, or water corporation derives~~  
16 ~~as a result of those customers paying by credit card and debit card.~~

17 ~~(2) If the commission determines that the use of credit cards~~  
18 ~~and debit cards results in no net cost to the electrical, gas, or water~~  
19 ~~corporation, there shall be no individual customer transaction fee~~  
20 ~~as provided for in subdivision (b):~~

21 ~~(3) If the commission determines that the savings to the~~  
22 ~~electrical, gas, or water corporation exceeds the costs to the~~  
23 ~~electrical, gas, or water corporation, the net savings shall be passed~~  
24 ~~on to electrical, gas, or water corporation customers.~~

25 ~~(d) The commission maintains its existing regulatory authority~~  
26 ~~over the reasonableness of expenses incurred by an electrical, gas,~~  
27 ~~or water corporation for providing customers the option of paying~~  
28 ~~their bills by credit card and debit card through existing regulatory~~  
29 ~~mechanisms.~~